

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COLUMBIA) CASE NO. 94-179-X
GAS OF KENTUCKY, INC.)

ORDER

On November 1, 1994, in Case No. 94-179, the Commission approved certain adjusted rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment on a quarterly basis in accordance with Columbia's gas cost adjustment ("GCA") clause.

On November 1, 2000, Columbia filed its GCA to be effective December 1, 2000 to February 28, 2001.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice proposed revised rates designed to pass on its expected increased wholesale gas costs to its customers. Columbia's proposed expected gas cost ("EGC") for the quarter beginning December 1, 2000 is \$7.1076 per Mcf, an increase of 83.24 cents per Mcf from Columbia's last EGC of \$6.2752.

2. Columbia's notice set out a rate for Banking and Balancing Service of 2.06 cents per Mcf.

3. Columbia's notice set out no take-or-pay refund adjustment.

4. Columbia's notice set out no transportation take-or-pay refund adjustment.
5. Columbia's notice set out no current quarter refund adjustment ("RA").

The total RA of 3.62 cents per Mcf reflects previous quarter adjustments.

6. Columbia's notice set out its annual actual cost adjustment ("ACA") of 59.91 cents per Mcf to collect under-recovered gas cost from the 12 months ended June 30, 2000.

7. Columbia's notice set out its 6-month balancing adjustment ("BA") of .01 cent per Mcf to reconcile variances from previous refund and balancing adjustments.

8. Columbia's notice set out a Special Agency Service refund adjustment of 0 cents per Mcf. This represents no change from the prior rate.

9. The combined effect of the above adjustments is Columbia's gas cost recovery rate ("GCR") of \$7.6706 per Mcf, which is 83.24 cents per Mcf more than its previous GCR of \$6.8382 per Mcf.

10. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied on and after December 1, 2000.

IT IS THEREFORE ORDERED that:

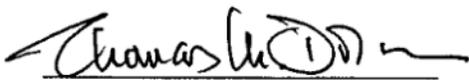
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after December 1, 2000.

2. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of November, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-179-X DATED NOVEMBER 20, 2000

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

| | <u>Base Rate Charge</u> | <u>Gas Cost Demand</u> | <u>Adjustment Commodity</u> | <u>Total Billing Rate</u> |
|--|-----------------------------|----------------------------|---------------------------------|-------------------------------|
| <u>SCHEDULE GSR</u> | | | | |
| First 1 Mcf or less per mo. | \$8.10 | \$1.3998 | \$6.2708 | \$15.7706 |
| Over 1 Mcf per mo. | 2.1800 | 1.3998 | 6.2708 | 9.8506 |
| <u>RATE SCHEDULE GSO</u> | | | | |
| Commercial or Industrial | | | | |
| First 1 Mcf or less per mo. | 22.00 | 1.3998 | 6.2708 | 29.6706 |
| Next 49 Mcf per mo. | 2.1800 | 1.3998 | 6.2708 | 9.8506 |
| Next 350 Mcf per mo. | 2.1149 | 1.3998 | 6.2708 | 9.7855 |
| Next 600 Mcf per mo. | 2.0149 | 1.3998 | 6.2708 | 9.6855 |
| Over 1000 Mcf per mo. | 1.8409 | 1.3998 | 6.2708 | 9.5115 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge Times Daily Firm Vol. (Mcf) In Customer Service Agreement | | 8.5555 | | 8.5555 |
| <u>Delivery Rate Per Mcf</u> | | | | |
| First 400 Mcf per mo. | 2.1149 | | | 2.1149 |
| Next 600 Mcf per mo. | 2.0149 | | | 2.0149 |
| All Over 1000 Mcf per mo. | 1.8409 | | | 1.8409 |
| Former IN8 Rate | 1.0575 | | | 1.0575 |
| Banking and Balancing Service | | 0.0206 | | 0.0206 |

RATE SCHEDULE IS

| | | | | |
|--|----------|---------|--|----------|
| <u>Customer Charge per mo.</u> | \$135.79 | | | \$135.79 |
| First 30,000 Mcf | .6368 | 6.2708* | | 6.9076 |
| Over 30,000 Mcf | .3384 | 6.2708* | | 6.6092 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement | | 8.5555 | | 8.5555 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| First 30,000 Mcf | .6368 | | | .6368 |
| Over 30,000 Mcf | .3384 | | | .3384 |
| Banking and Balancing Service | | .0206 | | .0206 |

RATE SCHEDULE IUS

| | | | | |
|---|--------|--------|--------|--------|
| For All Volumes Delivered Each Month | .3539 | 1.3998 | 6.2708 | 8.0245 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| Delivery Rate per Mcf | .3539 | 1.3998 | | 1.7537 |
| Banking and Balancing Service | | 0.0206 | | 0.0206 |
| <u>Mainline Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| Delivery Rate per Mcf | 0.1000 | | | 0.1000 |
| Banking and Balancing Service | | 0.0206 | | 0.0206 |

RATE SCHEDULE IN6 – INDUSTRIAL AND COMMERCIAL

| | | | | |
|------------------|--------|--------|--------|--------|
| Commodity Charge | 1.7363 | 1.3998 | 6.2708 | 9.4069 |
|------------------|--------|--------|--------|--------|

RATE SCHEDULE IN7 – SMALL COMMERCIAL

| | | | | |
|------------------|-------|--------|--------|--------|
| Commodity Charge | .5924 | 1.3998 | 6.2708 | 8.2630 |
|------------------|-------|--------|--------|--------|

*IS customers may be subject to the demand gas cost, under the conditions set forth on Sheets 48 and 51 of this tariff.